

Senate Bill No. 1184

CHAPTER 222

An act to add Section 785.5 to the Insurance Code, relating to senior insurance.

[Approved by Governor August 29, 2012. Filed with
Secretary of State August 29, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1184, Corbett. Senior insurance: veterans benefits.

Existing law requires all insurers, brokers, agents, and others engaged in the transaction of insurance to owe to a prospective insured who is 65 years of age or older, a duty of honesty, good faith, and fair dealing.

This bill would prohibit an insurance broker or agent from participating in, being associated with, or employing any party that participates in, or is associated with, obtaining veterans benefits for a senior, unless the insurance agent or broker maintains procedural safeguards designed to ensure that the agent or broker transacting insurance has no direct financial incentive to refer the policyholder or prospective policyholder to any veterans benefits program offered through the government.

The people of the State of California do enact as follows:

SECTION 1. Section 785.5 is added to the Insurance Code, to read:

785.5. An insurance broker or agent shall not participate in, be associated with, or employ any party that participates in, or is associated with, obtaining veterans benefits for a senior, unless the insurance agent or broker maintains procedural safeguards designed to ensure that the agent or broker transacting insurance has no direct financial incentive to refer the policyholder, or prospective policyholder, to any veterans benefits program offered through the government.